

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **November 12, 2002**

AGENDA ITEM NO.: 15

CONSENT:

REGULAR **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Lease With Rivermont School/Centra Health For the Fort Hill School Building**

### RECOMMENDATION:

Approve the attached resolution authorizing the City Manager to sign the attached lease on behalf of the City.

### SUMMARY:

Rivermont School, a subsidiary of Centra Health, wishes to lease the Fort Hill School property (an 8,745 square foot building located at 1350 Liggates Road) now being leased by New Covenant Schools. New Covenant will not be renewing their lease, since they are moving to a new location in January 2003. The term of the lease would be 3 years with provisions for two one-year renewals. As directed by City Council at the August 13 Council session, meetings between Rivermont School and the Liggates Road neighborhood have been held.

### PRIOR ACTION(S):

August 6, 2002- PDC Review

August 13, 2002 - City Council Public Hearing

### FISCAL IMPACT:

Lease would continue at \$14,400 annually, the same rate as for New Covenant School. A credit will be given for necessary improvements made to HVAC, plumbing, roof, etc. with oversight by Public Works, not to exceed \$50,000.

### CONTACT(S):

Michael Gambone 847-1360 ex 271

Bruce McNabb 847-1360 ex 268

Lee Newland 847-1360 ex 270

### ATTACHMENT(S):

Resolution

Draft Lease

### REVIEWED BY: lkp

Resolution:

BE IT RESOLVED That the Lynchburg City Council approves a lease with Rivermont School, a division of Centra Health for the former Fort Hill Elementary School building.

BE IT FURTHER RESOLVED That the City Manager is authorized to execute the necessary documents with Rivermont School.

Adopted:

Certified:

\_\_\_\_\_  
Clerk of Council

224L

# DRAFT

**THIS LEASE AGREEMENT**, made and dated this \_\_\_\_ day of \_\_\_\_\_, 2002  
by and between the CITY OF LYNCHBURG, a municipal corporation of the Commonwealth of  
Virginia, party of the first part, hereinafter referred to as “Lessor”, and CENTRA  
HEALTH/RIVERMONT SCHOOL, party of the second part, hereinafter referred to as “Lessee”:

## W I T N E S S E T H

**WHEREAS**, the Lessor is the owner of the former Fort Hill Elementary School building  
and grounds, located on Liggates Road in the City of Lynchburg; and,

**WHEREAS**, the Lessee desires to lease from Lessor said premises under the following  
terms and conditions;

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants  
and agreements hereinafter contained, the parties hereto agree as follows;

(1) Lessor does hereby lease to Lessee, to use for a school and related activities, the  
premises at 1350 Liggates Road, Lynchburg, Virginia, identified on City Valuation Maps as  
Parcel Number 029-10-012.

(2) The term of this Lease is for a period of three (3) years with the option to renew  
annually for two (2) succeeding years, with the original three year term commencing on the first  
day of the month in which Lessee is able to begin to use the premises as a school after the  
improvements provided for in this lease in Section 2 (c) are completed and ending on the date  
that is three years the commencement date and any renewal terms commence and end on the  
same days of each succeeding year thereafter for each renewal term, at the rental specified  
below, payable at the times and under the following conditions:

(a) The rent shall be \$14,400.00 annually, payable in twelve (12) installments of  
\$1,200.00.

(b) One (1) installment shall be due and payable on the 1<sup>st</sup> day and no later than the 5<sup>th</sup> day of each month commencing on the 1<sup>st</sup> day of the month in which Lessee is able to begin to use the premises as a school after the improvements provided for in this lease in Section 2 (c) are completed and each monthly payment will be due on the same day of each succeeding month thereafter throughout the term of this lease, subject to conditions outlined in paragraph (c) hereinbelow.

(c) The parties agree the following improvements need to be made to the premises:

1. HVAC system
2. plumbing
3. asbestos correction
4. roof repairs
5. handicapped accessibility to bathrooms
6. electrical

The parties further agree that Lessee, after gaining approval from Lessor for the method and extent of repairs, excluding the roof which shall be the sole responsibility of the Lessor, shall be responsible for securing and paying for said repairs but that the costs expended on the above items not to exceed \$50,000, shall be offset against the rent due until such expenditures have been fully discharged. Lessee shall not be required to expend more than \$50,000 to make the agreed improvements described in this section.

The parties shall agree in detail, in writing, as to the type and extent of the improvements required prior to the commencement of such improvements. In the event the parties cannot reach agreement, Lessee may terminate this lease by giving written termination notice to Lessor.

- (d) The parties agree that once the above-referenced repairs have been made, any and all repairs to said repaired items shall be paid for by the Lessor after Lessee has paid the first \$500.00 of said repair costs. The roof shall be the sole responsibility of the Lessor.
- (e) Any option exercised to renew the lease for an additional one (1) year period shall be valid only upon written notice to Lessor thirty (30) or more days before expiration of the preceding lease period.
- (3) No additions or alterations will be made to the premises without Lessor's written approval.
- (4) Lessee agrees to pay all utility charges for the term of this lease, and maintain the building and grounds in good condition throughout the term of this lease, subject to paragraph (2)(c).
- (5) Lessee agrees to the following conditions concerning the use of the premises:
  - (a) Lessee will not sublease the property without the written approval of the Lessor.
  - (b) The Lessee agrees to use this property in a non-discriminatory manner.
  - (c) Lessee will make the playground facilities available for public use at all times.
- (6) Lessee agrees that for the term of this lease it will assume all responsibility for the general maintenance of the leased facility. The Lessee shall at its sole cost and expense, except as herein otherwise specifically provided, maintain the leased premises in a presentable condition. The Lessee shall repair all damages to said premises caused by its agents,

employees, guests, and patrons. All repairs must comply with State and Local Building Codes and Ordinances.

The Lessor reserves the right to inspect the facility and to prepare a list of needed repairs. The Lessee shall keep the premises in good order and repair, as is reasonably required in order to preserve the general appearance and value of the Lessor's remaining premises in the immediate vicinity thereof.

The Lessee agrees that there will be no outside storage of equipment, materials, or supplies.

(7) The Lessee agrees to indemnify and save the Lessor harmless from and against any loss, damage and liability (except fire loss and losses commonly insurable by extended coverage endorsement) occasioned by, growing out of or arising or resulting from any default hereunder, Lessor's agents or employees. The Lessee agrees to:

- (a) insure its furnishing and contents against fire loss and losses commonly insurable by extended coverage to the extent lessee deems necessary.
- (b) The Lessee agrees to secure tenant's liability insurance with an amount of not less than \$1,000,000.00

Additionally, the City's Self-Insurance fund and any other applicable insurance are secondary and apply only in excess of and shall not contribute with the insurance obtained by the Lessee. The Lessee shall deliver to the Lessor a copy of said insurance policy or certificate showing the same to be in full force and effect before occupying the premises. The Lessor shall be given 30 days notice prior to any cancellation of such insurance coverage. The failure of the Lessee to maintain such insurance coverage throughout the term of this agreement shall be grounds for the immediate termination hereof.

(8) Upon the expiration of this Lease Agreement, the Lessee's authority to use the premises and facilities herein granted shall cease, and Lessee shall, upon such expiration, surrender the same to the Lessor, promptly and in good condition, ordinary wear and tear excepted.

All improvements and fixtures made to or placed on the property by Lessee shall remain the property of the Lessor.

(9) If the premises shall be damaged or destroyed by a fire, the elements, a public enemy or other casualty to the extent that the premises becomes untenable, either the Lessor or Lessee may cancel this agreement without further obligation to the other or the parties may reach an agreement concerning repair of the premises, rent abatement, and term extension. The Lessee shall be responsible for repairing or replacing any damages to the premises caused by the acts or omissions of the Lessee, its employees, representatives or agents or any other persons the Lessee permits to be on the property.

(10) The Lessor shall not be liable for any damage to or loss of any of the Lessee's property or any of its agents or employees which is brought onto the premises, regardless of how such damage or loss may occur. It is expressly agreed and understood that the Lessee, its agents and employees in placing property in and on the premises, do so at their own risk.

(11) Any and all payments of rent or other sums due under this Lease shall be paid on the due date. If such payment is not made, the Lessee shall pay a ten percent (10%) late penalty on the amount of such delinquent payment, which penalty shall at once become due and collectible. Also, interest at a rate equal to the prime lending rate as quoted in the Wall Street Journal on the due date of such rent and fees shall be paid and collected on the delinquent rent or fees and the applicable penalty. Such interest shall begin on the day

following the due date, and fees and all interest shall be calculated on a 365-day year. In the event it becomes necessary for the Lessor to initiate legal proceedings to collect any of the rent and fees payable under this Lease, the Lessee agrees to pay reasonable and necessary expenses incurred by the City in such legal proceedings, including reasonable attorney fees.

(12) If Lessee shall fail to comply with any of the terms and conditions of the Lease or any notices given hereunder, and failure shall continue for a period of not less than 30 days after notice in writing, or shall become insolvent, or shall make an assignment for the benefit of its creditors, or if any of its property to be attached and attachment not promptly released, or if an execution be issued against it, or, if a petition be filed by or against it to have it adjudicated a bankrupt, or if a trustee or receiver shall be created and appointed to take charge of its assets, then or at any time thereafter, Lessor, may at its option, enter into premises and remove any and all persons therefrom and take and retain possession thereof either with or without process of law.

(13) The Lessee shall not assign this Lease or any part thereof without the prior written consent of the Lessor.

(14) Notices to Lessee provided for herein shall be sufficient if sent by registered mail, postage prepaid, addressed to Rivermont School, 1350 Liggates Road, Lynchburg, VA 24502 or such other representative as the Lessee may designate to the Lessor shall be sufficient if sent by registered mail, postage prepaid, addressed to the Lynchburg City Manager, City Hall Building, P. O. Box 60, Lynchburg, VA 24505, or to such other persons as the Lessor may designate in writing from time to time.



(15) All terms and conditions with respect to this Agreement are expressly contained herein, and both parties agree that no representative or agent of Lessor or of Lessee has made any representation or promise with respect to this Agreement expressly contained herein.

IN TESTIMONY WHEREOF, THE CITY OF LYNCHBURG has caused its name to be hereunto subscribed by L. Kimball Payne, III, its City Manager, and its seal affixed and attested by Patricia W. Kost, its Clerk of Council; and Rivermont School has caused its name to be hereunto subscribed by \_\_\_\_\_, its \_\_\_\_\_ and its seal affixed and attested by \_\_\_\_\_, its \_\_\_\_\_, all of the day and year first above written.

CITY OF LYNCHBURG

By: \_\_\_\_\_  
L. Kimball Payne, III  
City Manager

ATTEST:

\_\_\_\_\_  
Patricia W. Kost  
Clerk of Council

CENTRA HEALTH/RIVERMONT  
SCHOOL

By: \_\_\_\_\_

Its: \_\_\_\_\_